

REGULAR MEETING OF THE MUSCONETCONG SEWERAGE AUTHORITY

Chairman Rattner called the meeting to order at 7:30 PM. Following salute to colors, announcement was made that adequate notice of this meeting had been provided for as defined by the "Open Public Meetings Act".

MEMBERS PRESENT: Donald Bates, Michael Grogan, Melanie Michetti, Daren Phil, Michael Pucilowski, Steven Rattner, Joseph Schwab, Edward Schwartz

MEMBERS ABSENT: James Benson, Brian McNeilly, John Keiser, John Sylvester

OTHERS PRESENT: Patrick Dwyer, Esq., Lee Purcell, PE, Fenton Purcell, PE, James Schilling, Marvin Joss, Stephen Donati, PE

Chairman Rattner opened and closed the meeting to the public.

The Regular Meeting Minutes of May 22, 2014 were approved on a motion offered by Mr. Bates, seconded by Mr. Schwab. Roll Call:

Mr. Bates	Abstain	Mr. Pucilowski	Yes
Mr. Grogan	Yes	Mr. Rattner	Yes
Mrs. Michetti	Yes	Mr. Schwab	Yes
Mr. Phil	Yes	Mr. Schwartz	Yes

The Expenditures/Treasurer's Report for the month of May was accepted on a motion offered by Mr. Schwab seconded by Mrs. Michetti and the affirmative roll call vote of members present.

TREASURER'S REPORT MAY, 2014
 (As of June 1, 2014)

OPERATING ACCOUNT

Balance as of May 1, 2014:		<u>\$ 1,150,352.27</u>
Receipts (May):	Hospitalization 2,040.54	
	EM Still 175.96	
	Disability reimbursements 2,259.16	
	1 st Qtr Pass down/transfer 347,021.55	
		<u>\$ 351,497.21</u>
		<u>\$ 1,501,849.48</u>
Disbursements (May):		<u>\$ 216,232.81</u>
Balance as of June 1, 2014:		<u>\$ 1,285,616.67</u>

RENEWAL/REPLACEMENT ACCOUNT

Balance as of May 1, 2014:		<u>\$ 198,377.25</u>
Receipts:	1 st Qtr Transfer 319,556.15	
Disbursements:	CFM Construction 2,984.00	
	Nusbaum Stein 110.00	
Balance as of June 1, 2014:		<u>\$ 514,839.40</u>

ESCROW ACCOUNT

Balance as of May 1, 2014:		<u>\$ 2,652.34</u>
Receipts:	Fratelli Beretta USA 1,500.00	
Disbursements:	LTPA 1,200.00	
Balance as of June 1, 2014:		<u>\$ 2,952.34</u>

CAPITAL IMPROVEMENT ACCOUNT

Balance as of May 1, 2014:		<u>\$ 440,589.28</u>
Receipts:		0.00
Disbursements:	1 st Qtr Transfer 65,589.28	
Balance as of June 1, 2014:		<u>\$ 375,000.00</u>

EXPENDITURES REPORT - 2014 BUDGET

6/1/14

	2014	YEAR-TO-DATE		%
	BUDGET	EXPENDITURES	BALANCE	REMAINING
Admin - Salaries and Wages	\$149,000.00	\$60,820.30	\$88,179.70	59.18%
Trustee Admin Fees	\$60,000.00	\$10,203.63	\$49,796.37	82.99%
Administrative - Other Expenses	\$33,000.00	\$18,468.15	\$14,531.85	44.04%
Legal	\$25,000.00	\$6,724.60	\$18,275.40	73.10%
Audit	\$14,000.00	\$7,000.00	\$7,000.00	50.00%
Engineer	\$20,000.00	\$3,590.00	\$16,410.00	82.05%
Pension	\$86,000.00	\$0.00	\$86,000.00	100.00%
Social Security	\$60,000.00	\$25,957.57	\$34,042.43	56.74%
Unemployment	\$7,000.00	\$4,655.01	\$2,344.99	33.50%
Hospitalization	\$222,800.00	\$92,688.78	\$130,111.22	58.40%
Disability Insurance	\$10,000.00	\$2,652.22	\$7,347.78	73.48%
Operating - Salaries and Wages	\$620,000.00	\$277,987.93	\$342,012.07	55.16%
Reserve for Future Retirement	\$15,000.00	\$0.00	\$15,000.00	100.00%
Telephone	\$15,000.00	\$5,784.19	\$9,215.81	61.44%
Electric	\$527,000.00	\$121,659.35	\$405,340.65	76.91%
Propane/Fuel Oil/ Gasoline	\$35,000.00	\$15,072.47	\$19,927.53	56.94%
Supplies/Chemicals	\$135,100.00	\$43,765.65	\$91,334.35	67.60%
Laboratory Supplies	\$8,000.00	\$3,097.45	\$4,902.55	61.28%
Office	\$20,000.00	\$4,490.31	\$15,509.69	77.55%
External Services	\$50,000.00	\$27,345.04	\$22,654.96	45.31%
Education/Training	\$15,000.00	\$4,112.64	\$10,887.36	72.58%
Laboratory Fees	\$25,000.00	\$7,767.20	\$17,232.80	68.93%
Maintenance/Repairs	\$100,000.00	\$13,598.23	\$86,401.77	86.40%
Insurance	\$110,000.00	\$96,056.31	\$13,943.69	12.68%
NJDEP Fees	\$25,000.00	\$550.00	\$24,450.00	97.80%
Permit/Compliance Fees	\$150,000.00	\$36,603.40	\$113,396.60	75.60%
Equipment	\$60,000.00	\$12,391.05	\$47,608.95	79.35%
Sludge Removal	\$550,000.00	\$136,514.35	\$413,485.65	75.18%
Contingency	\$25,000.00	\$0.00	\$25,000.00	100.00%
Capital Improvement	\$300,000.00	\$75,000.00	\$225,000.00	75.00%
Renewal and Replacement	\$200,000.00	\$50,000.00	\$150,000.00	75.00%
TOTAL	\$3,671,900.00	\$1,164,555.83	\$2,507,344.17	68.28%

Mr. Schwab stated that he would like to make an adjustment to the pending voucher list. Under the operating account, LTPA's voucher submitted for permit compliance in the amount of \$2,915.00 would be omitted from the list and discussed later during the meeting in closed session.

The adjusted pending vouchers for the month of June were approved for payment on a motion offered by Mr. Schwab, seconded by Mr. Phil and the affirmative roll call vote of members present.

DEBT SERVICE ACCOUNT	
NJET (loan payment)	\$128,489.71
NJET (loan payment)	\$29,583.23
NJET (loan payment)	\$56,459.53
TD Bank NA (loan payment)	\$382,073.64
RENEWAL & REPLACEMENT	
Hayes Pump (pump rebuild/repair)	\$10,860.00
OPERATING ACCOUNT	
ADP	\$894.84
Nick Barbato (dental reimb)	\$423.64
Blue Diamond Disposal	\$1,058.80
Cintas Corp.	\$585.06
Cintas First Aid	\$54.42
Daily Record	\$148.36
Keith DeFazio (mileage reimb)	\$101.57
Fisher Scientific	\$363.07
Grainger	\$1,015.71
Susan Grebe (petty cash & mileage)	\$136.84
Hach Company	\$41.54
JCP&L	\$5,562.03
Kemira	\$9,534.18
LTPA	\$1,500.00

Lowe's	\$73.31
Mission Communications	\$2,431.80
NJEIT (trustee admin fees for loan)	\$1,335.00
NJEIT (trustee admin fees for loan)	\$1,459.25
NJEIT (trustee admin fees for loan)	\$2,474.38
NJSHBP	\$15,807.64
NJ American Water	\$481.60
Najarian Associates	\$917.50
Netcong Hardware	\$6.45
Northeast Computer	\$259.98
Nusbaum Stein	\$1,793.00
One Call	\$54.90
PPL Energy	\$14,952.31
Passaic Valley Sewerage Commission	\$52,605.46
QC Labs	\$2,247.00
Roxbury Township Water Dept.	\$269.88
Shell Fleet Plus	\$366.17
Spectraserve	\$25,907.87
David Stracco (dental reimb)	\$170.00
TD Bank NA (trustee admin fee for loan)	\$4,935.00
Unum Life Insurance	\$1,415.49
USA Bluebook	\$1,062.80
Verizon	\$666.93
Verizon Communications	\$49.99
Verizon Wireless	\$225.22
WEF	\$86.00

The following correspondence for the month of June was received and filed on a motion offered by Mr. Schwartz, seconded by Mr. Schwab and the affirmative vote of members present.

- A. 5/6/14 Musconetcong Watershed Assoc – Thank you for sponsoring annual Run for River
- B. 6/2/14 NJDCA Division of Government Services – Cover letter transmitting Audit Info
- C. 6/16/14 Morris County – Milling & Resurfacing of Main Road, North Road & Hillside Ave in the Township of Roxbury
- D. 6/16/14 NJEIT – Participation in the Trust's 2010 Financing Program

Mr. Schilling asked if the commissioners had reviewed his monthly report and if anyone had any questions or comments.

Chairman Rattner asked Mr. Schilling to summarize the Hurricane Sandy close out and what the final numbers were. Mr. Schilling said the final numbers were not available yet. He explained the application process and the meetings he had with FEMA personnel. Mr. Schilling said the total claim amounted to \$126,000.00. The MSA has received approximately \$65,000.00 to date and he was not sure how much more funding the MSA would receive from the remaining balance of \$126,000.00. Chairman Rattner asked how the close out was completed before all the funds were received. Mr. Schilling explained that the close out meant that all applications and required documents from the MSA to the State have been submitted on-line, so it is closed out on the MSA's end with the New Jersey Office of Emergency Management. FEMA is stilling reviewing the information and the claims. Mr. Pucilowski further explained the processes and the close out status to Chairman Rattner.

Mr. Schilling also reported about the requirement from the State to complete diesel retrofit documents for all municipalities. The program is fully funded by the State, but the permits must be filled out on-line. The MSA is compliant and the facility's vehicles did not meet the criteria for any diesel retrofits.

Mr. Schilling also gave a personnel update on the MSA's two employees that were absent due to disabilities and one employee out on workers' compensation.

Mr. Schilling reported on the Repairs and Maintenance Report. The new sludge pump previously approved was installed, the work is complete and the pump was on-line as of June 4th. Mr. Schwab asked how long the pump was out of service. Mr. Schilling responded that the pump was out of service for approximately five weeks. Mr. Schwab asked about the costs. Mr. Schilling said he would have that information and multiple proposals for review for the July meeting.

The Director's Report, and the Repairs and Maintenance Report, were accepted on a motion offered by Mr. Grogan, seconded by Mr. Pucilowski and the affirmative vote of members present.

Mr. Purcell said that Fenton Purcell would report on Items Nos. 4 and 5 of his agenda in closed session.

Mr. Purcell reported that the grant waiver request for the Fratelli Beretta facility has been submitted to the USEPA.

Mr. Purcell also reported on the milling and paving restoration notice from Morris County for Main Road, North Road and Hillside Avenue in Roxbury Township. Mr. Purcell reviewed the plans and the roads are actually in Mount Olive Township. Chairman Rattner said he believed the roads were not County roads. Mr. Purcell said that the MSA has no utilities in these roads so the project will not affect the MSA. Mr. Schwab suggested that in the future the MSA Staff could review project plans received and if there are any problems they can refer it to LTPA for further review. Mr. Purcell noted that there is no engineering cost for a quick review of this type of project plans. Mr. Purcell also mentioned that Mount Olive Township should be aware of this project.

Mr. Purcell reiterated that the Asset Management Plan can be a very useful tool for the MSA facilities. A plan should be implemented at the MSA. LTPA is available in any way to help the Authority prepare a plan.

The Engineer's Report, excluding Items 4 and 5, was accepted on a motion offered by Mr. Schwab, seconded by Mr. Pucilowski and the affirmative vote of members present.

Resolution #14-14 for authorizing payment of certain bills along with the Budget and Purchasing Document was discussed. Chairman Rattner noted some inconsistencies and incorrect wording in the document. Mr. Dwyer mentioned he also had some revisions to suggest. Mr. Dwyer listed and explained his suggested revisions for the commissioners. Chairman Rattner, Mr. Schwab and Mr. Dwyer discussed the revisions that should be made to the document. Chairman Rattner discussed the measures for emergency purchasing procedures. The commissioners also discussed recurring bills and if they should be included in the resolution. Mr. Schilling said that recurring bills would only include contracts in place. Mr. Schwab said that the vouchers for contracts need to be reviewed. It was decided to omit recurring bills from the resolution and the Budget and Purchasing document. Mr. Dwyer will revise the Budget and Purchasing document and Resolution #14-14 accordingly, and distribute to the commissioners for their review within two weeks so the resolution can be discussed and approved at the July meeting.

Mr. Joss and Mr. Donati left the meeting at 8:17 PM.

Motion made by Mr. Pucilowski, seconded by Mrs. Michetti and the affirmative roll call vote of members present for the commissioners to go into closed session at 8:18 PM:

WHEREAS, Section 8 of the Open Public Meetings Act (N.J.S.A. 10:4-12 (b) (1-9) permits the exclusion of the public from meeting in certain circumstances;

WHEREAS, the Commissioners of the Musconetcong Sewerage Authority are of the opinion that such circumstances exist.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Musconetcong Sewerage Authority as follows:

1. The public shall be excluded from discussion of, action on and hearing the tape of closed session of the Musconetcong Sewerage Authority;
2. The general nature of the subject matter to be discussed is as follows: Litigation and on-going negotiations

The above subject matter will be made public as soon thereafter as it is deemed to be in the public interest.

Motion to reopen the meeting to the public at 8:55 PM was offered by Mrs. Michetti, seconded by Mr. Schwab and the affirmative vote of members present.

Lee Purcell, PE and Fenton Purcell, PE left the meeting at 8:56 PM.

Motion made by Mr. Schwab, seconded by Mr. Schwartz and the affirmative roll call vote of members present for the commissioners to go into closed session at 8:56 PM:

WHEREAS, Section 8 of the Open Public Meetings Act (N.J.S.A. 10:4-12 (b) (1-9) permits the exclusion of the public from meeting in certain circumstances;

WHEREAS, the Commissioners of the Musconetcong Sewerage Authority are of the opinion that such circumstances exist.

NOW, THEREFORE, BE IT RESOLVED by the Commissioners of the Musconetcong Sewerage Authority as follows:

3. The public shall be excluded from discussion of, action on and hearing the tape of closed session of the Musconetcong Sewerage Authority;
4. The general nature of the subject matter to be discussed is as follows: Personnel

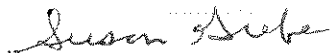
The above subject matter will be made public as soon thereafter as it is deemed to be in the public interest.

Motion to reopen the meeting to the public at 9:05 PM was offered by Mr. Schwartz, seconded by Mrs. Michetti and the affirmative vote of members present.

Mr. Schwartz asked Mr. Dwyer how soon in advance a Rice Notice has to be given if the MSA would want to discuss an employee at the next monthly meeting. The commissioners discussed what actual employee rights were included under a Rice Notice. Mr. Dwyer said he would look into it and get back to the commissioners.

Motion made by Mr. Schwartz, seconded by Mr. Pucilowski and the affirmative roll call vote of members present, Chairman Rattner adjourned the meeting at 9:08 PM.

Respectfully Submitted:

A handwritten signature in cursive script that reads "Susan Grebe".

Susan Grebe,
Administrative Assistant